SENATE COMMITTEE ON APPROPRIATIONS
Senator Anna Caballero, Chair
2025 - 2026 Regular Session

SB 667 (Archuleta) - Railroads: safety: wayside detectors

Version: January 5, 2026
Policy Vote: E., U. & C. 12 - 4, TRANS. 11 - 3
Urgency: No
Mandate: No
Hearing Date: January 20, 2026
Consultant: Mark McKenzie

Bill Summary: SB 667 would require a railroad corporation to install and operate a network of wayside detector systems on or adjacent to any track used by a freight train, with specified spacing requirements. The bill would require a railroad corporation to submit a wayside detector system response plan to the California Public Utilities Commission (CPUC) and require the CPUC to adopt rules necessary to implement the bill's requirements, including the establishment of penalties, as specified.

Fiscal Impact:
- The CPUC estimates one-time costs of approximately $53,000 to develop rules for implementation of the bill, and ongoing costs of approximately $640,000 annually for 2 PY of new staff to review response plans and administer the citation program addressing railroad corporation violations. (General Fund)

- Unknown penalty revenues in future fiscal years, to the extent the CPUC issues citations for violations of the bill's requirements. (General Fund)

Background: Existing federal law, the Federal Railroad Safety Act (FRSA), authorizes the United States Secretary of Transportation (USDOT) to prescribe regulations and issue orders for all areas of railroad safety, supplementing existing rail safety statutes and regulations, and to conduct necessary research, development, testing, evaluation, and training. Federal law also requires the United States Secretary of Homeland Security (DHS) to consult with the USDOT when prescribing a security regulation or issuing a security order that affects the safety of railroad operations.

Federal law requires, to the extent practicable, that laws, regulations, and orders related to railroad safety and security must be nationally uniform, but authorizes a state to adopt or continue to enforce a law, regulation, or order related to railroad safety or security until USDOT, with respect to railroad safety matters, or DHS, with respect to railroad security matters, prescribes a regulation or issues an order covering the subject matter of the state requirement. A state may adopt or continue to enforce an additional or more stringent law, regulation, or order related to railroad safety or security, when necessary to eliminate or reduce an essentially local safety or security hazard, that is not incompatible with a federal law, regulation, or order, and that does not unreasonably burden interstate commerce.

For the purposes of federal regulation, the Surface Transportation Board (STB) categorizes freight railroads in three classes based upon their annual operating revenue.

Existing state law establishes the Rail Safety Division (RSD) within the CPUC, which is responsible for the inspection, surveillance, and investigation of the rights-of-way, facilities, equipment, and operations of railroads and public mass transit guideways, and for enforcing state and federal laws, regulations, orders, and directives relating to transportation of persons or commodities, or both, of any nature or description by rail. Existing law defines a "railroad corporation" to include every corporation or person owning, controlling, operating, or managing any railroad for compensation within the state, and requires every operator of rail facilities to provide a risk assessment to the CPUC for each rail facility in the state that is under its ownership, operation, or control, and prescribes the elements of the risk assessment.

Wayside detectors are devices installed on or adjacent to rail tracks to monitor conditions of the train and the rails. Wayside detectors have sensors that can alert train operators to safety-related issues, such as hot wheel bearings. Wayside detectors are currently in place on many rail lines throughout California. According to the only two class I freight railroads operating in California, Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) railroads, there are approximately 11,000 wayside detector systems that are operational on mainline track throughout their networks, including in California. They estimate that current wayside detectors spacing averages under 17 miles between detectors and they are targeting an average of 15 miles between detectors.

Additionally, there are certain types of wayside detectors that serve different purposes for safety detection. For example, a Hot Bearing, or Hot Box, Detector (HBD) uses infrared sensors to detect overheated wheel bearings, or hot boxes, on passing trains, alerting crews to potential derailments by identifying hot axles and other defects like dragging equipment, allowing for immediate inspection and preventing accidents. According to UP, they currently have 184 HBD's on key routes in California, such as heavy freight main lines, lines shared with passenger rail, and lines carrying hazardous materials, with spacing averaging roughly 15 miles apart.

In 2023, a freight train carrying hazardous materials derailed in the town of East Palestine, Ohio. In a subsequent investigation, the National Transportation Safety Board (NTSB) determined that a rail car's defective wheel bearing overheated and failed, triggering the train derailment. At the time of the derailment, the train was approximately 9,000 feet in length, consisting of 149 cars. Of those 149 cars, 38 derailed, and 11 of the derailed cars contained toxic chemicals. While the derailment did not directly result in any fatalities or injuries, fires burning around derailed cars containing combustible toxic chemicals led to concerns about the potential for an uncontrolled explosion. Residents of East Palestine continue to express concerns about the safety of the town's air and water following the derailment. The East Palestine derailment raised a variety of concerns about safety issues related to railroads, including concerns about the extent to which inadequate warning systems, overly long train lengths, and low train staffing ratios increase the likelihood of train crashes and derailments. In the wake of the East Palestine derailment, legislation was enacted in Ohio that require wayside detector systems to be installed, with specific spacing requirements for the different classes of railroads, with the largest railroads required to place wayside detector systems not more than 10 miles apart.

Proposed Law: SB 667 would require a railroad corporation to install and operate wayside detector systems on tracks used by freight trains and submit a wayside detector system response plan to the CPUC, which must adopt rules necessary to implement these requirements. Specifically, this bill would:

- Define a "wayside detector system" as an electronic device or a series of connected devices that scan passing freight trains and their component equipment and parts for defects, which include hot wheel bearings, hot wheels, defective bearings that are detected through acoustics, dragging equipment, excessive height or weight, shifted loads, low hoses, excessive rail temperature, and poor wheel condition.

- Require a railroad corporation to install and operate a network of wayside detector systems on or adjacent to any track that is used by a freight train, and require each detector system to be located no farther from the following distances from another wayside detector system on a continuous track:
    - No farther than 10 miles for a class I carrier railroad.
    - No farther than 25 miles for a class II carrier railroad.
    - No farther than 35 miles for a class III carrier railroad.

- Limit the speed of a freight train operating on a track with wayside detector systems that do not comply with the above spacing requirements to 10 miles per hour (mph). Speeds in excess of 10 mph would only be authorized for trains that pass a wayside detector system that is in compliance with the above spacing requirements and receive a message from the detector system indicating there are no defects.

- Require a railroad corporation to submit a wayside detector response plan to the CPUC via an expedited Tier 3 advice letter process. The response plan must include both of the following:
    - A process for freight train crews to receive alerts from wayside detector systems.
    - Standards for freight train inspections to be conducted following receipt of an alert from a wayside detector system, including the obligation of a railroad corporation to ensure that railroad employees are aware of the standards.

- Require the CPUC to adopt rules necessary to implement the bill's requirements, including establishing a penalty of at least $25,000 for each violation by a railroad corporation.

- Provide an exception to the bill's requirements for a railroad track owned or leased by a class II or class III carrier that has a speed limit of 10 mph or less.

Staff Comments: This bill is intended to apply directly to freight rail operators in California to enhance rail safety and promote the prevention of catastrophic incidents. However, many of the state's commuter and inter-city rail systems operate on facilities owned by private railroad corporations and some also own rail facilities that also service freight. These operators serve travel routes throughout the state ranging from short, local commuter distances to long, interregional routes, including local and regional commuter rail systems as well as the three state-supported intercity passenger rail systems operated by Amtrak. It is unclear how meeting the requirements of the bill may

indirectly affect passenger rail, including operational frequencies, specifically if freight trains can only operate at 10 miles per hour when operating on tracks that do not meet the minimum spacing requirements for wayside detector systems. Additionally, it may increase operating costs for certain public agencies, both for those who operate on freight rail lines and those agencies that own rail infrastructure.

SB 667 requires a railroad corporation to install and operate wayside detector systems with specified minimum spacing requirements and to submit a wayside detector plan to the CPUC via an expedited Tier 3 advice letter process, and also requires the CPUC to adopt rules necessary to implement the bill. The author intends to propose amendments to limit the spacing requirements for wayside detector systems specifically to systems that include hot wheel bearing detectors (HBDs), and to delete references to the Tier 3 advice letter process and clarify the requirements for the CPUC to adopt rules and processes to implement the bill. The Committee may also wish to consider amendments to clarify that enforcement of the minimum spacing requirements, and the associated speed limits on tracks with non-compliant spacing, would not occur until either a specified date, or following the adoption of CPUC rules and processes regarding minimum requirements for wayside detector systems, for railroad corporations to submit wayside detector system plans for review and approval by the CPUC, standards for freight train inspections, and penalties for violations of the bill.

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